

# **EXHIBIT C**

30/04/98

003

**HASP - Distribution Contract**

This Contract is entered into in Tel-Aviv, Israel, this 1st day of May, 1997, by and between:

**Aladdin Knowledge Systems Ltd.**

An Israeli corporation, whose principal place of business address is: 15 Beit-Oved Street, Tel-Aviv, Israel, and whose mailing address is: P.O.B. 11141, Tel-Aviv 61110, Israel (hereinafter referred to as "Company"); and:

**Feitian Co.**

A Chinese corporation, organized and existing under the laws of People's Republic of China, whose principal place of business and mailing address is Haidian Office Bldg. A RM202, No. 11 Haidiannan Rd. Haidian District, P.O.Box 2726, Beijing 100080, China (hereinafter referred to as "Distributor").

**WITNESSETH**

WHEREAS the Distributor desires to be granted a non-exclusive, non-transferable, right to distribute and market the Product in the Territory;

AND WHEREAS the Company wishes, through the Distributor, to facilitate the marketing and distribution of the Product in the Territory;

NOW THEREFORE, in consideration of the foregoing premises and contracts hereinafter contained, the parties mutually agree as follows:

**Article I - Definitions:**

In this Contract ("this Contract") and the Schedules attached hereto where the context so admits, words in the singular shall include the plural and vice versa. Words and expressions defined below shall have the following respective meanings:

- 1.1 "The Product/s": Computer hardware and software devices, known as HASP and CODESAFE, the function of which is to prevent unauthorized use of software, and any revisions and/or improvements of the devices provided by Company, and all programming and related documentation, all object code, operator instructions in both hard copy and electronic form, including any other documents necessary and/or related to the use or application of the Product and or any derivatives.
- 1.2 "The Documentation": Any and all documentation necessary and/or related to the use of the Product, in hard copy and/or electronic form.
- 1.3 "The Hardware": All tangible elements in the Product.
- 1.4 Product Code/s: A unique electronic code, burnt by Company into the Product, that is being used by Customer to protect its software. The Product Code identification is printed on every

- 1.5 "Purchase Price/s": Prices of Products listed in the "Price Schedule".

as Annex C to this Contract. ~~Products listed in the "Distributor Price Lists" attached hereto~~

- 1.6 "Customer": Software developers and/or any other customers in the Territory which will be granted the License or which shall apply for the Product.
- 1.7 "The Territory": North Eastern Provinces of People's Republic of China (North of the Yellow River), but also including Shaanxi Province south of the Yellow River..
- 1.8 "The License": The license granted to the Customer under the License Contract.
- 1.9 "The License Contract": The "ALADDIN KNOWLEDGE SYSTEMS LTD HASP LICENSE AGREEMENT" - attached hereto as Annex B to this Contract.
- 1.10 "Intellectual Property Rights": The right, title and interest in and to any and all trademarks and trade-names, patents, copyrights, which have or which may be registered in the future, and all the know-how regarding the Product, and any part thereof, including the Customers list.

#### Article II - Appointment

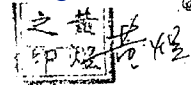
- 2.1 Subject to the terms and conditions set forth in this Contract, the Company hereby grants to the Distributor and the Distributor hereby accepts, a non-exclusive, non-transferable, right to market and distribute the Product.
- 2.2 The foregoing right is limited solely to the Territory.
- 2.3 Company is entitled, upon its sole discretion, to appoint other distributor/s, agent/s, representative/s in the Territory; and/or to establish a branch or affiliated entity which would distribute the Product in the Territory; and/or to distribute the Product in the Territory and to sell or license the Product, directly or indirectly, to Customers in the Territory.

#### Article III - Title & Ownership

- 3.1 The Distributor acknowledges that the Software and all programming and related Documentation, all object code, design documents, operator instruction in both hard copy and electronic form, including any other documents necessary and/or related to the use or application of the Product and or any derivatives, are, and will remain, the property of the Company.
- 3.2 Subject to any rights deriving from any patent (either registered and/or pending and/or that can be registered) the Company and/or any third party holds or shall hold in the Hardware or any part thereof, Distributor shall purchase the Hardware from the Company.
- 3.3 The Distributor acknowledges the Company's exclusive right to the Intellectual Property Rights and it is agreed that all Intellectual Property Rights concerning the Product will be the sole property of the Company.

#### Article IV - Company, Distributor, Customer

- 4.1 Subject to the terms and conditions set forth in this Contract, Distributor has the right to order the Product from the Company and to facilitate direct distribution of the Product from the Distributor to the Customer in the Territory.



- 4.2 The Distributor will not acquire any right and/or title in the Software and Documentation; and therefore the Customer's License to use the Software will be granted by Company.
- 4.3 To enable the grant of the License, The Distributor shall distribute the Product with a copy of the "ALADDIN KNOWLEDGE SYSTEMS LTD HASP LICENSE AGREEMENT" (i.e. the License Contract).

#### Article V - Marketing & Service

##### Marketing:

- 5.1 The Distributor shall devote its best efforts to promote, sell and service the Product to Customers within the Territory. This promotion shall include advertising the Product in relevant magazines and exhibiting the Product in at least one professional trade shows per year.
- 5.2 Company, under its full and absolute discretion, and for the price set by Company, shall furnish Distributor with an initial quantity of catalogue sheets, price lists, technical data, answers to technical and related inquiries originating in the Territory, and any other information which Company shall find reasonably required for distributing the Products in the Territory.
- The Distributor shall pay Company the said price and it will be authorized to translate, on its own initiative and on its own expense, all such literature into other languages for the purpose of alleviating the marketing of the Products.
- 5.3 Company undertakes to assist Distributor in learning the Products. The Distributor should attend - traveling and stay expenses on Distributors own expense - an "HASP Technical and Marketing seminar" to be held at the Company's premises, at least once every two (2) years. The first such seminar should take place within three (3) months of the commencement of this Contract.
- 5.4 Distributor undertakes to employ at least one (1) full-time salesperson/s who has experience in marketing the Products and are dedicated to the marketing of the Products.
- 5.5 All advertisements for the Product shall include the words: "An Aladdin Knowledge Systems Ltd. Product" in the language of the advertisement. The Distributor's name or logo should appear with the words: "Distributed By" in the language of the advertisement.
- Distributor shall submit to Company for Company's prior written approval any and all material which the Distributor intends to use for the purpose of promoting the Products if such materials contain information or statements differing from those contained in Company's promotional materials or from The License Contract.
- 5.6 The Distributor shall refrain from seeking Customers or soliciting, directly or indirectly, orders for the Product from outside the Territory or pursuing any active sales' policy of the Product outside the Territory.

##### Service:

- 5.7 Distributor shall provide a service organization capable of assuming responsibility for the installation, maintenance and support of the Products in accordance with Company's then prevailing Postsales, Training and Service Policies.

- 5.8 Company shall provide Distributor with updates, new releases and new documentation of the Products whenever they become available.
- 5.9 Distributor will employ at least one (1) full time technical support person/s who will be familiar with the Products in depth.
- 5.10 Distributor shall maintain a stock of the Product to satisfy orders from Customers.

#### Article VI - Parties Obligations

- 6.1 Company shall, unless excused by circumstances beyond the Company's control (in accordance with article 8.4 hereof), promptly send to the Distributor those Products for which the Distributor places orders.
- 6.2 In the event the Company shall sell Products directly to customers within the Territory and shall be actively assisted by the Distributor for that purpose, the Company shall pay the Distributor a royalty fee of 7.5% of the revenue received by the Company from such a sale.
- 6.3 Distributor shall keep the Company - at the Company's request - updated about Customers and provide the Company, every three (3) months, with a list of all the Product's Customers' details, and Customer's Products Codes.
- 6.4 Distributor shall refrain from supplying Products with the same code to different customers.
- 6.5 Distributor agrees and represents that it will refrain from engaging, directly or indirectly, in the distribution, sale and/or service of products which compete, directly or indirectly, with the Product, or any part thereof, while this Contract is in effect and for the period of one year after the termination of the Contract.

The Distributor acknowledges that these restrictions are fair and reasonably required to protect the interest of the Company under this Contract and that these restrictions will not deprive the Distributor of an opportunity to earn a living or to produce a profit.

The Distributor acknowledges and agrees that any breach of the foregoing covenant not to compete will deprive the Company substantially of the consideration for the Company's entering into this Contract and that the amount of injury would be impossible or difficult to fully ascertain. The Company shall, therefore, be entitled to obtain an injunction restraining any violation, further violation or threatened violation of the covenant not to compete set forth above, in addition to any other remedies which the Company may pursue.

The period of time, geographical area and scope of restrictions on the Distributor's activities are intended to be divisible, so that if any provision of such covenant not to compete is found invalid, that provision shall be automatically modified to the extent necessary to make it valid, rather than such provision being declared invalid or void for such reason.

#### Article VII - Limited Warranty & Limitation Of Liability

- 7.1 Company warrants that (a) the Software will perform substantially in accordance with the accompanying Documentation for a period of ninety (90) days from the date of receipt and (b) that the Hardware under normal use and service, is free from defects in materials and workmanship for a period of twelve (12) months of the date of receipt. Any implied

workmanship for a period of twelve (12) months of the date of receipt. Any implied

warranties on the Software and Hardware are limited to ninety (90) days and twelve (12) months, respectively.

- 7.2 Company shall supply, at its expense, within twelve (12) months from the day of delivery by the Company, units of the Product to be exchanged with any units found to be faulty in workmanship or materials and sent back to the Company.

Distributor will notify Company, in writing, of such damage of defect within 10 working days of receipt. Company will send a replacement for the Products 10 working days after such notification.

This Limited Warranty is void if failure of the Software or defective Hardware has resulted from: (i) accident, abuse or misapplication and/or modifications are made to the Product by any one other than Company; (ii) attachments, features or devices which are employed on the Hardware which are not supplied by Company or not approved for use, in writing, by Company; (iii) Software other than the current version of the Software available from Company is used on the Hardware. The warranty and remedies set forth herein are exclusive and in lieu of all others, oral or written, express or implied.

- 7.3 Except for and to the extent expressly provided herein, Company makes no warranty or representation, either expressed or implied, with respect to the Product, including its quality, performance, merchantability or fitness for a particular purpose.

- 7.4 The Distributor understands and agrees that the Software is inherently complex and may not be completely free of errors. To the maximum extent permitted by applicable law in no event shall Company be liable for direct, indirect, special, incidental, cover or consequential or any other damage whatsoever (including without limitation damages for loss of business

information or other pecuniary loss) arising out of or related to this Contract or the performance or breach of Company's liability and/or the use or inability to use the Product, even if Company has been advised of the possibility of such damages. In no case shall Company's liability under any provision of this Contract exceed the amount actually paid by Distributor for a Product unit.

- 7.5 Without derogating from the generality of article 4.3 Distributor shall include the provisions stated in this article in any contract and/or other method in which the Distributor shall establish and/or define its business relation with the Customer.

#### Article VIII - Orders, Prices, Terms of Payment & Delivery

- 8.1 Upon signing this Contract, the Distributor shall place an initial order of at seven hundred (700) Product units.

During the first twelve (12) months after the signing of this Contract, the Distributor shall order at least another three thousand (3,000) units of the Product.

- 8.2 Prices and Terms of Payment:

- (a) For the Products listed on the "Distributor Price List", the Company shall charge the Distributor the prices indicated therein. From time to time the Company may change the Purchase Price for its products and shall give the Distributor written notice of any change of the Purchase Price.

- (b) The Purchase Prices are exclusive of any taxes which, if they exist, shall be paid by the Distributor, and do not include shipping, domestic or foreign duties, or any other charges required in the country of destination.

- (c) Payment for the Products shall be with the order made by the Distributor.

- 8.3 Orders & Delivery:

- (a) The Distributor shall submit all orders for the Product by writing or by telefax.
- (b) For orders up to 1,000 (one thousand) Product units - the Company shall supply the units within 45 (forty five) days of payment. The date of delivery for orders of over the said number of units of the Product shall be agreed upon by both parties for each individual order.
- (c) Shipment of all Products will be Ex-factory Company's plant. The Company's obligation to deliver the Products shall be completely discharged, and all risk of loss or damage shall immediately pass to the Distributor, when the order is transferred to a carrier in Israel. The Distributor shall have the responsibility, with the Company's cooperation, for dealing with the carrier in the event of carrier's misdelivery, loss or damage to the Product.

- 8.4 The Company shall not be liable for any failure to manufacture or for any delay in delivery of the Product due to causes beyond the Company's control. Without derogating from the generality of the above, "causes beyond the Company's control" would include: natural disaster, fire, embargo, strike, failure to secure materials from the usual sources of supply, war, act of government, or any other circumstances beyond the Company's control. The Company shall, however, promptly make delivery when any such cause interfering with delivery shall have been removed.

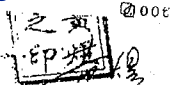
#### Article IX - Confidentiality & Intellectual Property Rights

Without derogating from the generality of article 3, and in addition to the Distributor's remaining representations and undertakings in the terms of this Contract, and in consideration of the right given in this Contract, the Distributor hereby represents and undertakes that:

- 9.1 Any proprietary trademarks, trade names, service marks, commercial symbols and/or logos which have been developed, or will be developed in the future, for the Product shall be and remain the sole and exclusive property of the Company.

The Distributor acknowledges and agrees that it has not, does not, and shall not acquire any rights with respect to any such trade-names, trademarks, service marks, commercial symbols and/or logos as a result of the Distributor's use thereof in connection with the Product, and that the Company shall be free, at all times, to use any such trade-names, trademarks, service marks, commercial symbols and/or logos in connection with any other product or services.

- 9.2 In order to protect the Company's patent, copyright and other ownership interests in the Product, the Distributor agrees that as a condition of its rights hereunder, the Product shall contain the same proprietary notices which appear on or in the Product delivered by the Company to the Distributor and as otherwise reasonably required by the Company. More specifically, the Distributor agrees, where applicable, that a valid Company copyright and/or patent notice for the Product will appear on the media for the Product and any consumer



packaging materials associated therein, on any documentation and promotion material for the Product.

It is further agreed that the Distributor must pack and/or ship the Product according to the Company's instructions. Specifically, the Distributor must pack and/or ship Developer's Kits of the Product in a sealed, shrink-wrapped covering. It is further agreed that the Distributor must pack and/or ship any and all software related to the Product in an envelope, sealed with the Company's software license label.

- 9.3 The Distributor shall not, in any manner, represent that it possesses any proprietary interest in the Intellectual Property Rights or the registration thereof, and shall not, directly or indirectly, take any action to contest these Intellectual Property Rights or infringe them in any way.

The Distributor shall use the name, trademarks, trade-names, and logos of the Company only in connection with the license granted in this Contract, but in no other connection. The Distributor may indicate, in sales or marketing media or materials, that it is an authorized distributor of the Company and of the Product. The Distributor shall not use the Company's name in either its own corporate name or any fictitious business name.

- 9.4 The Distributor shall promptly notify the Company, in writing, of any and all infringements of the Company's Intellectual Property Rights and shall assist the Company, at the Company's expense, in any action deemed necessary by the Company to protect its above mentioned rights.

- 9.5 Except as required or intended by this Contract, to maintain full and complete secrecy, not to divulge, publicize or transfer in any manner to any third party who is not a party to this Contract, and/or to make any use whatsoever of any information and/or knowledge which is connected with the Company, including information connected with the Product and/or the commercial know-how and/or any and all information regarding:

- (a) The Product Customers and potential Customers (including names, addresses, telephone and fax numbers, contact persons, dates of inquiry, prices, quantities of orders, dates of orders, etc.).
- (b) Company's market share (including any segment of such market share that shall be generated through the Distributor's services and/or through the Distributor's work-yield).
- (c) Company's marketing and/or sales policies, strategies and methods.

Furthermore, Distributor undertakes to maintain full and complete confidentiality in regard to all information connected with the Company and which is not within the public domain, including information connected with the Company's shareholders, directors and/or any other officers therein.

#### Article X - Term and Termination

- 10.1 The term of this Contract shall commence on the date shown at the beginning of this Contract, and shall expire on 30.04.1998.
- 10.2 Each party may terminate this Contract upon 60 days notice in writing to the other party, demanding to cure any default in performance of any obligation under this Contract, and upon failure to cure such default by the other party.



- 10.3 Notwithstanding article 10.2, the Company may terminate this Contract immediately upon the occurrence of one or more of the following circumstances:
- (a) The Distributor has become insolvent or has a receiver of its assets or property appointed.
  - (b) The Distributor makes any assignment of any of his rights under this Contract for the benefit of creditors.
  - (c) The Distributor is adjudicated a voluntary or involuntary bankruptcy.
  - (d) Distributor will not fulfill any one of the promises or contracts set-forth in Annex A of this Contract.
- 10.4 Distributor's obligations and Company's rights (and limited warranty) contained in articles 3, 6.3, 7 & 9 shall survive any such termination.

Article XI - General

- 11.1 The rights of the Distributor under this Contract are restricted solely to the Distributor and shall not be assigned, transferred, subleased, sublicensed, encumbered, or subject to any security interest without the written authorization of the Company. Any attempted assignment will be void and of no effect.
- 11.2. The parties agree that this Contract is the complete and exclusive statement of the contract between the parties, which supersedes all prior contracts, oral or written, and all other communications between the parties relating to the subject matter of this Contract. No modification of this Contract shall be binding on either party unless it is in writing and signed by both parties.
- 11.3 Any waiver of any right or default hereunder shall be effective only if made in writing (through its Managing Director as to the Company), and in the instance given and shall not operate as or imply a waiver of any similar right or default on any subsequent occasion. No waiver by either party of any breach or series of breaches or defaults in performance by the other party, and no failure, refusal or neglect of either party to exercise any right, power or option given to it hereunder or to insist upon strict compliance with or performance of either party's obligations under this Contract, shall constitute a waiver of the provisions of this Contract with respect to any subsequent breach thereof or a waiver by either party of its right at any time thereafter to require exact and strict compliance with the provisions thereof.
- 11.4 Any clause, provision, or portion of this Contract found or ruled invalid, void, illegal or otherwise unenforceable under any law or by any court, arbitrator, or other proceeding, shall be amended to the extent required to render it valid, legal and enforceable, or deleted if no such amendment is feasible, and such amendment or deletion shall not effect the enforceability of the other provisions hereof.
- 11.5 The Company and the Distributor each irrevocably and unconditionally:
- (a) Submits itself in any legal action or proceeding relating to this Contract or arising out of this Contract, or any breach thereof, including, without limitation, any claim that said Contract, or any part thereof, is invalid, illegal or otherwise voidable or void, to the exclusive general jurisdiction of the courts of the State of Israel; and that this Contract, including the validity, interpretation, or performance of this Contract and any of its terms or provisions, and





the rights and obligations of the parties under this Contract shall be governed by, and construed and interpreted in and only in accordance with, the laws of the State of Israel.

- (b): Consents that any such action or proceeding may be brought only in the courts of the State of Israel and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and Agrees that service of process in any such action may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to each party.
- 11.6. Any notices required or permitted to be given hereunder shall be sent by prepaid registered or certified mail, return receipt requested, addressed to the other party at the addresses shown at the beginning of this Contract, and shall be deemed to have been given on the date shown on the return receipt thereof. Until either party advises the other party of a change in notice address, all notices shall be sent to the respective addresses specified herein.
- 11.7. Distributor undertakes, warrants and declares: (i) that there is no contract or undertaking or, to its knowledge, any law, regulation or legal prohibition that would prohibit it from fully complying with the terms of this Contract; (ii) that the provisions of this Contract and the parties undertakings contained herein comply with any and all legal requirements valid in the Territory or with respect thereto; (iii) to inform Company of all legal requirements applicable in the Territory or any part thereof, which relate to the marketing, distribution, sale or use of the Product, including, without limitation, any liability towards any third party arising therefrom; (iv) to acquire, on its own expense, any license or permission required for the marketing, distribution, sale or use of the coded and/or encrypted Products/Software.

Intending to be legally bound, the parties have executed this Contract:

Aladdin Knowledge Systems Ltd  
The Company

Signature

Yakki Margalit  
Full Name

President  
Title

ALADDIN  
KNOWLEDGE SYSTEMS LTD.  
BEIT OVED ST. TEL-AVIV  
ISRAEL

Company Seal

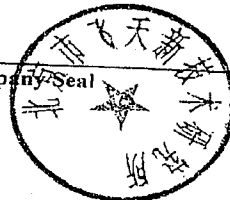
Feitian Co. 北京市飞天新技术研究所  
The Distributor

Signature

黄煜 (HUANG YU)  
Full Name

Marketing Manager  
Title

Company Seal

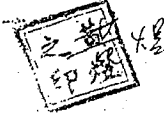


Annex A:

1. The Distributor hereby declares, represents, and warrants that at the commencement of this Contract, the registered capital of the Distributor is:  
*BEIJING FELTIAN NEW TECHNOLOGY COMPANY*
2. The Distributor hereby declares, represents, and warrants that at the commencement of this Contract, the subscribed capital of the Distributor is:  
*北京飞田新技术有限公司*
3. The Distributor hereby declares, represents, and warrants that at the commencement of this Contract, the Distributor's shareholders are:

Name	No of Shares	Ratio
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4. The Distributor hereby declares, represents, warrants, and agrees to notify, in writing, the Company on any change in the capital of the Distributor and/or any change of the Distributor's shareholders and/or any change in the ratio of shares held by the Distributor's shareholders.  
It is further declared and agreed that the above-mentioned notification shall be delivered to the Company, in writing, at least 75 days prior to any change in the capital of the Distributor, and/or any change of the Distributor's shareholders, and/or any change in the ratio of shares held by the Distributor's shareholders.
5. Parties hereby declare and agree that any change in the capital of the Distributor, and/or any change of the Distributor's shareholders, and/or any change in the ratio of shares held by the Distributor's shareholders, not approved, in writing, by the Company, shall immediately grant the Company the right to terminate the Contract and end all the business relations between the Company and the Distributor.
6. It is stated, declared, and agreed that the Distributor shall not have any rights to receive or claim, from the Company, any amount of money as compensation and/or indemnification due to the termination of the Contract and the business relations between the parties.


**ANNEX B****ALADDIN KNOWLEDGE SYSTEMS LTD.  
DEVELOPER'S AGREEMENT AND LICENSE**

All products of Aladdin Knowledge Systems Ltd. or an affiliate ("Aladdin"), including evaluation packages, hardware, diskettes, HASP® keys and the Programmer's Guides (collectively, the "Product") and all future orders, are subject to the terms stated below. If you do not accept these terms, please return the Evaluation Package and the Programmer's Guide to us, postage prepaid, within seven days of their receipt, and we will provide you with a refund, less freight and normal handling charges.

1. License. Aladdin, the developer of the Product, grants you a personal, non-transferable, non-exclusive license to use, sublicense and resell the Product enclosed in this package upon the terms set forth herein. The software, including any upgrades thereof, shall remain Aladdin's property, subject to the terms of this Agreement. Except as permitted in Section 2 below, you may neither transfer any part of the Product or otherwise make it available to anyone else, nor may you modify, disassemble, decompile, reverse engineer, revise or enhance the Software, the HASP® key or other part of the Product or attempt to discover the Software's source code.
2. Modification of Software; Sale of HASP® keys. You may merge and link the Software into your computer programs for the sole purpose of protecting such computer programs, as described in the Programmer's Guide. You may thereafter sublicense the merged Software to distributors and end-users of your computer program pursuant to the terms of this Agreement. You may make one archival copy of the Software. You may resell to end-users, subject to the limited warranty set forth in Section 3 (c) below, any HASP® keys which Aladdin sells to you.
3. Limited Warranty. Aladdin warrants for a period of twelve (12) months after the date of delivery to you, (the "Warranty Period"), the following: (a) that the Software will perform in substantial compliance with the Programmer's Guide, provided that it is used on the computer hardware and with the operating system for which it was designed; (b) that the magnetic media on which the Software is distributed is substantially free from significant defects in materials and workmanship; and (c) that the HASP® key is substantially free from significant defects in materials and workmanship.
4. Limitation of Remedies. In the event of a breach of this warranty, Aladdin's sole obligation is to replace or repair, at Aladdin's option, any Product or component thereof, free of charge. Warranty claims must be made in writing during the Warranty Period and within seven (7) days of the observation of the defect, accompanied by evidence satisfactory to Aladdin. All Products should be returned to the HASP distributor from which they were purchased (if not purchased directly from Aladdin) and shall be shipped by the returning party with freight and insurance paid. EXCEPT AS STATED ABOVE, THERE IS NO OTHER WARRANTY, EXPRESSED OR IMPLIED, REGARDING THE PRODUCT INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Aladdin Knowledge Systems Ltd.  
15 Beit Oved St., P.O.Box 11141, Tel Aviv 61110, Israel

5. **Limit of Aladdin's Liability.** Aladdin's entire liability for damages to you or any other party for any cause whatsoever, whether in contract or in tort, including negligence, shall not exceed the price you paid for the unit of Product that caused the damages or that are the subject matter of, or are directly related to, the cause of action. In no event will Aladdin be liable for any damages caused by your failure to perform your obligations, or for any loss of data, profits, savings, or any other consequential and incidental damages, even if Aladdin has been advised of the possibility of damages, or for any claims by you based on any third-party claim.
6. **Governing Law & Jurisdiction:** This Agreement is governed only by the laws of the State of Illinois and only the courts in Illinois shall have jurisdiction in any conflict or dispute arising out of this Agreement.
7. **Termination.** Your failure to comply with the terms of this Agreement shall terminate your license and this Agreement. Sections 3, 4 and 5 shall survive any termination of this Agreement.

  
**Aladdin Knowledge Systems Ltd.**  
15 Beit Oved St., P.O.Box 11141, Tel Aviv 61110, Israel



## MacHASP™ Price List (Macintosh)

Distributor C5, April 1997

Product	Developers Kit	Batches of 2-99	Batches of 100-199	Batches of 200-999	Batches of 1000+
MachASP-S		16.75	15.50	15.00	14.25
MachASP-M	19.00	19.50	18.50	17.50	16.25
MachASP-M8		22.50	21.50	20.00	18.75
Net-MachASP-5		43.00	40.00	35.00	
Net-MachASP-10	35.00	53.00	50.00	48.00	
Net-MachASP-20		65.00	62.00	59.00	
Net-MachASP-50		80.00	76.00	73.00	
Net-MachASP-100		100.00	90.00	81.00	
Net-MachASP-Unlim.		190.00	180.00	170.00	

### NOTES:

- The first price-break for Net-MachASP units is for quantities of 50-99 units; the second price-break is for over 100 units.
- Minimum Batch Size:
  - MachASP: 2 units.
  - Net-MachASPs: 1 unit.
- Minimum total order size: 100 units.
- The quantity discounts are for orders of Batches of the same code.
- Prices are quoted in \$US, FOB Israel.
- Prices may be changed without prior notice.

15 Beit Oved Street, P.O. Box 11141, Tel Aviv 61110, Israel  
 Tel: 972-3-636 2222, Fax: 972-3-537 5796, E-mail: sales@aks.com, WWW: http://www.aks.com



= Annex C =

## HASP® Price List (PC)

Distributor C5, April 1997

Product	Developers Kit	Batches of 2-99	Batches of 100-199	Batches of 200-999	Batches of 1000+
HASP-3		10.80	10.20	9.60	9.00
MemoHASP-1	12.00	13.20	11.60	10.80	10.00
MemoHASP-4		21.75	19.00	17.25	16.50
TimeHASP	19.00	22.75	21.00	19.00	18.55
TimeHASP-4		24.75	23.00	21.00	20.55
NethHASP-5		27.00	24.00	21.00	
NethHASP-10	25.00	42.00	40.00	38.00	
NethHASP-20		52.00	50.00	48.00	
NethHASP-50		62.00	60.00	58.00	
NethHASP-100		82.00	78.00	75.00	
NethHASP-Unlimited		162.00	152.00	147.00	
SerialHASP-M	15.00	18.00	17.00	16.00	15.25
PC-Card-HASP	35.00	41.50	38.50	36.00	33.50
AladdinCARD		21.00	19.25	19.25	19.25

## NOTES:

- HASP-3, MemoHASP, and NethHASP are available in plug-in expansion-board versions (HASPcard), for an additional \$US 12.00 over the standard price.
- The first price-break for NethHASP units is for quantities of 50-99 units; the second price-break is for over 100 units.
- AladdinCARD: Can be ordered in Standard packaging (each card individually packaged in a box), or in Bulk packaging (each card wrapped in nylon).
- Minimum Batch Size:
  - HASPs for stand-alone PCs: 2 units.
  - NethHASPs: 1 unit.
- Minimum total order size: 100 units.
- The quantity discounts are for orders of Batches of the same code.
- Prices are quoted in \$US, FOB Israel.
- Prices may be changed without prior notice.



## HASP36™ Price List (Japanese NEC)

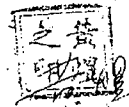
Distributor C5, April 1997

Product	Developers Kit	Batches of 2-99	Batches of 100-199	Batches of 200-999	Batches of 1000+
HASP36		21.50	20.00	17.50	16.50
MemoHASP36-1	21.00	25.50	23.50	22.00	19.00
MemoHASP36-4		28.50	26.50	24.00	21.50
Net-HASP36-5		52.00	47.00	42.00	
Net-HASP36-10	35.00	71.00	65.00	58.00	
Net-HASP36-20		82.00	75.00	68.00	
Net-HASP36-50		100.00	90.00	82.00	
Net-HASP36-100		119.00	108.00	98.00	
Net-HASP36-Unlim.		237.00	208.00	189.00	

### NOTES:

- The first price-break for Net-HASP36 units is for quantities of 50-99 units; the second price-break is for over 100 units.
- Minimum Batch Size:
  - HASP36 for stand-alone PCs: 2 units.
  - Net-HASP36s: 1 unit.
- Minimum total order size: 100 units.
- The quantity discounts are for orders of Batches of the same code.
- Prices are quoted in \$US, FOB Israel.
- Prices may be changed without prior notice.





## OpenHASP™ Price List

Distributor C5, April 1997

Product	Developers Kit	Orders of 2-99	Orders of 100-199	Orders of 200-999	Orders of 1000+
OpenHASP	25.00	52.00	44.00	40.00	36.00
OpenHASP Master		27.00			

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### NOTES:

- With the OpenHASP system, the developer assigns the code to each OpenHASP key. OpenHASP keys are sold in quantities and not in batches.
- Minimum Batch Size:
  - OpenHASP: 2 units.
  - OpenHASP Master: 1 unit.
- Prices are quoted in \$US, FOB Israel.
- Prices may be changed without prior notice.

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